

A SUBMISSION

TO THE

DEPARTMENT OF FAIR TRADING & CONSUMER AFFAIRS

**On the proposed Information Standard for Second
Hand Motor Vehicles**

7 July 2007

1.0 Introduction

The Consumer Council would like to congratulate the Department of Fair Trading and Consumer Affairs for proposing a mandatory information standard to protect consumers and for ensuring that the market operates fairly. It is an excellent effort towards promoting accountability and transparency with in Second Hand Car Dealers. This will definitely improve vehicle safety standard and quality. SIN will provide consumers with meaningful, accurate information on which to base their important purchasing decision. SIN will put obligation on the Suppliers for the disclosure which will be informative, readily available, simple to understand and true and accurate.

2.0 Imported Second Hand Vehicles

The Consumer Council has over the years consistently raised its concerns on the quality of imported second hand vehicles in Fiji. The Council had written to LTA to consider the criteria used for issuing license to second hand car dealers. Consumers have been given a run around by the second hand car dealers after purchasing the vehicle. The Council recorded a number of complaints by the consumers in 2006. These are as follows:

Complaints Received by the Council 2006

	<i>Registered cases</i>	<i>Cases Referred to SCT</i>	<i>Advice given</i>
<i>1st Quarter</i>	<i>5</i>	<i>6</i>	<i>18</i>
<i>2nd Quarter</i>	<i>7</i>	<i>5</i>	<i>21</i>
<i>3rd quarter</i>	<i>20</i>	<i>-</i>	<i>-</i>
<i>4th Quarter</i>	<i>26</i>	<i>-</i>	<i>-</i>

3.0 Import Verification and Inspection (IVI) Process used by LTA

I understand LTA has engaged JEVIC to carry out structural inspections, odometer inspections, bio-security checks and documentation verification and stolen vehicle checks off shore. Under this system authorized motor vehicle dealers based in Japan will be required to deliver vehicles to the JEVIC facilities in Japan for inspection before it is exported to Fiji. JEVIC will also take vehicle photography. The Council is concerned that even if the structural inspection failure is noted the importation will still be permitted and the details of failure plus photographic evidence will be passed to LTA. However for odometer failure, importation will be permitted but the vehicle will not be registered. This stand by LTA will protect the consumers but not in case of structural failure. Another positive aspect of Import Verification and Inspection is that it will not allow importation of stolen vehicle.

3.0 Form & Manner of Disclosure

The Council also supports the information required to be displayed on SIN about the supplier, such as their registration status and contact details will help buyers to seek redress if things go wrong with the deal.

The price, age (year of manufacture ,date of first registration, distance traveled)make &model, design features and vehicle specifications (engine, capacity /configuration, safety features) are reliable indicators of vehicle information but request that price of vehicle should depend on the age of vehicle to minimize the number of accidents and spare part availability.

4.0 Recommendations

- The Council recommends that the Supplier Information Standard (SIN) should not be restricted to importation of second hand cars but across the board for sale of any second hand cars in Fiji.
- LTA had introduced Import Verification and Inspection (IVI) Process which can be taken into consideration for the disclosure of information by the Suppliers.
- SIN should also declare that the vehicle is road worthy and it is tested by JEVIC/LTA.
- SIN can also provide contact details of LTA where the consumers can pay a fee to find our more information on Structural failure. I understand LTA is willing to provide information on structural failure if clients pay a fee.
- SIN to indicate number of years the warranty is given. If warranty is given for certain parts then the parts should be stated.

5.0 Conclusion

The Council hopes that the Department of Fair Trading and Consumer Affairs will hold a final consultation meeting with all stakeholders after incorporating the comments from the stakeholders. This will allow the stakeholders to understand the final version of the information standard for second hand cars before the mandatory standards is approved for implementation.